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C O N F I D E N T I A L SECTION 01 OF 03 JAKARTA 000593

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SUBJECT: LEGISLATIVE ELECTIONS -- POSSIBLE SCENARIOS AND

OUTCOMES

REF: JAKARTA 00573 AND PREVIOUS

Classified By: Pol/C Joseph L. Novak, reasons 1.4(b+d).

- 11. (C) SUMMARY: Indonesia's April 9 elections will decide which parties get seats in the national Parliament. Based on a complex system, these elections are also critical in determining who will be the country's next president. If President Yudhoyono's Partai Demokrat (PD) wins a strong plurality of seats in the elections (it is currently leading in the polls), he will be well set for the July presidential election.
- 12. (C) SUMMARY (Con'd): Two well-established parties--Golkar and the opposition PDI-P party--are trying to position themselves for a run at the presidency, but are lagging a bit in the polls. Islamic-oriented parties and a new secular-oriented party don't seem set to make a top showing, but will vie for prime coalition opportunities. While there will be "quick counts," official results of the April 9 election will take time to flow in. END SUMMARY.

COMPLEX RULES HAVE IMPACT ON PRESIDENTIAL RACE

13. (SBU) Indonesia's electoral rules are complex, with performance in the national legislative elections directly tied to who can be nominated for president. (Note: National legislative elections take place on April 9, followed by the presidential election in July. The new Parliament will sit and the president will be inaugurated come October 2009.) Only those parties which meet (or exceed) a new requirement by winning either 25% of the national vote or 20% of the Parliamentary (DPR) seats (based on the results of the April 9 election) can nominate their own presidential candidates outright. Those parties which fail to meet either requirement can form coalitions to try to gain the requisite percentage figures. With the threshold for presidential nomination so high, there are likely to be only two to four contenders for president.

PRESIDENT'S PARTY SEEMS SET FOR GOOD SHOWING

¶4. (C) President Yudhoyono's PD has had the lead in the polls in recent months, even as President Yudhoyono's popularity continues to rise. Some observers predict that PD may garner roughly 20% of the DPR seats and possibly close to 25% of the popular vote. If this happens, Yudhoyono would be in an excellent position to win nomination to the presidential ballot outright (such percentages would also be a brilliant showing for PD, which only received 7.45 percent of support in 2004 in what was a good showing for a new party). Without the need to rely on a coalition, Yudhoyono might not have to turn to Golkar Chief and current Vice President Jusuf Kalla as his running mate. Instead, some observers speculate, he could nominate a technocrat with a

solid reputation, such as Finance Minister Sri Mulyani Indrawati.

¶5. (C) At the same time, if PD does not meet the increasingly high expectations—such as by netting less than 15% of support, for example—that would make the situation tricky for the president. He would have to work hard to gain the coalition support needed to get on the ballot. This would mean that he would need to make political deals and possibly, if he won the presidential race, be forced to form an unwieldy cabinet (which to some extent is what he has now). In addition, a poor showing by PD probably brings a Yudhoyono—Kalla ticket very much back into the picture, with the President having to turn to Golkar in order to get on the presidential ballot. With a poor showing, the President might also have to rely on small Islamic—oriented parties.

GOLKAR: STUMBLING BEHEMOTH

- 16. (C) Golkar, currently the largest party in the DPR with 23% of the DPR seats and 21.5% of the national vote in 2004, has recently seemed to lose much of its political lustre. Riven with internal fractures, power struggles, and alleged money politics, Golkar has consistently polled behind PD. There has been even been talk that VP Kalla will face a leadership revolt in his party if Golkar does not do well on April 9.
- 17. (C) Desperate to regain its popularity and power, Golkar members have pressured VP Kalla hard to run as president; Kalla has said he is ready to do so (pending the April

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electoral returns). Part of Golkar's image problems stem from its lack of a coherent, charismatic figure around which voters could coalesce. Kalla, while hardly charismatic (polling at 1-2% popularity), is currently the party's central figure (though the party has other contenders who want to run for president, too). Golkar could still make a comeback in the polls and do well on April 9. Nonetheless, even if the party comes in at the predicted average of about 15-17% in the actual polls, it is likely to be able to lure enough parties to form a coalition and field a presidential candidate (should President Yudhoyono decide—and be able—to go it without them).

PDI-P -- STILL A KEY PLAYER

- 18. (C) PD's major challenger--along with Golkar--is the Indonesian Party of Democratic Struggle (PDI-P). With its historically rooted appeal (its leader, ex-president Megawati, is the daughter of Indonesia's first president, Sukarno) and strong village-based outreach, PDI-P is a party with considerable populist appeal nation-wide. In 2004, it won 18.5% of the national vote and 19.8% of the DPR seats. PDI-P has run neck-and-neck in the opinion polls with Golkar until recently, when it nudged ahead, taking second place behind PD.
- 19. (C) In 2009, most commentators expect PDI-P to come in second or third on April 9 with about 15-20% of the vote. Though she polls poorly against him and lost to him in 2004, Megawati also remains President Yudhoyono's main challenger in the presidential race. There has been some talk that Megawati faces internal dissension regarding her planned presidential race given her seeming failure to match up well against Yudhoyono. There has also been talk of a PDI-P-Golkar alliance focused on taking on Yudhoyono.

ISLAMIC-ORIENTED PARTIES DOWN BUT NOT OUT

110. (C) Although the Prosperous Justice Party (PKS) can still pull mass support (see reftels), it and other Islamic-oriented parties seem set to lag a bit this election. The four most popular of these, listed below, received

between 6-10% of the national vote in 2004—they are currently, however, only getting between 3-5 percent in opinion polls. In fact, it is possible that one of two of them may drop out of Parliament entirely because they do not make the threshold requirement (see below). Although they may not perform in sterling fashion on April 9, these parties will probably be right in the middle of the action in the race to form coalitions in order to nominate presidential candidates.

Key Islamic-oriented parties:

- -- United Development Party (PPP)
- -- Prosperous Justice Party (PKS)
- --National Awakening Party (PKB)
- --National Mandate Party (PAN)

NEW PARTIES TRY TO MAKE A MARK

111. (C) Fourteen of the 38 parties contesting this election (plus six local parties based only in Aceh) are new parties. Most of these will not be able to obtain the 2.5% of the national vote (the so-called "parliamentary threshold") required to get seats in Parliament. That said, one new party may--wealthy retired General Prabowo Subianto's secular-oriented Great Indonesia Movement Party (Gerindra) which is currently netting between 3-6 percent in the polls. However, the other small parties, new and old alike, can still have a voice, even without seats, by offering up their portion of the vote to the kingmakers--the bigger parties seeking coalition partners in order to gain a nomination for the presidential election.

RESULTS WILL TAKE TIME TO FLOW IN

112. (U) Given Indonesia's rules, the April elections act more as the end of the beginning rather than as a full stop. The political sparring will only intensify in following weeks as parties work furiously to form coalitions in order to get on the July presidential ballot. With the Constitutional Court recently ruling that they are legal, "quick counts" will give a sense of which parties are doing well in the race within days of April 9. That said, it will take time for the full results to flow in. Indeed, the election commission will only announce the official results of the elections on May 8.

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